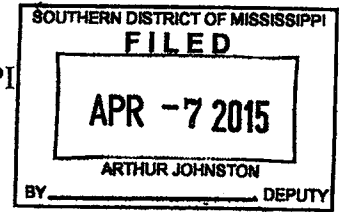


IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
NORTHERN DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO.

*3:15-cr-17-TSL-FKB*

KAYLA PAUL LINDSEY and  
MARLENE SOLOMON WILLIAMS

18 U.S.C. § 371  
18 U.S.C. § 1006

**The Grand Jury charges:**

At all times relevant to this indictment:

1. The Federal Home Loan Bank of Dallas (FHLB-D) was a cooperative association that consisted of financial institutions in the United States from the five-state district of Arkansas, Louisiana, Mississippi, New Mexico, and Texas that had purchased stock in the FHLB-D. Member institutions of the FHLB-D had access to funding for housing finance, community lending and asset-liability management. The FHLB-D helped its member institutions provide credit and financial services to families, farms and businesses across the five-state District of Arkansas, Louisiana, Mississippi, New Mexico, and Texas.
2. The FHLB-D provided funding for the financing and building of affordable housing in their five-state district. The Affordable Housing Program (AHP) was a competitive grant program created by Congress in the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The AHP was designed to address local housing needs. The FHLB-D allowed its member institutions to partner with local developers and community organizations that sought to build and renovate housing for low- to moderate-income households. Many projects were designed for seniors, the disabled, homeless families, first-time homeowners and others with limited resources or special needs.

3. In order for an organization to receive an AHP grant from the FHLB-D, it had to apply through one of its local FHLB-D member institutions.

4. Trustmark Bank was a member institution of the FHLB-D.

5. Fiscal Integrity & Economic Development (FIED) was a not-for-profit organization created by the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**. FIED applied and was accepted into the Affordable Housing Program (AHP) administrated by the FHLB-D. The AHP was locally managed by Trustmark Bank.

6. Each contractor would submit an invoice to FIED estimating the cost of the repairs to an eligible house. The invoice would be submitted by the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, to the FHLB-D member institution, Trustmark Bank, for processing and was ultimately transmitted to the FHLB-D, located in Irving, Texas, for payment. The AHP grant funds were paid directly to the contractor by the FHLB-D, through Trustmark Bank.

7. FIED applied for AHP grants from the FHLB-D in both 2009 and 2011. For the 2011 FHLB-D AHP grants, FIED received an amount equal to 15% of the total invoice to cover their administrative costs. If an invoice called for the receipt of \$5,000.00 for the repairs, then FIED would receive \$750.00 for their services, while the contractor would receive \$5,000.00 for performing the repairs.

8. From on or about April 7, 2010, until on or about August 21, 2012, the FHLB-D issued grant funds to FIED and its contractors in the approximate amount of \$836,955.70.

9. The defendant, **KAYLA PAUL LINDSEY**, owned and operated Kayla Paul Lindsey CPA Firm.

10. The defendant, **MARLENE SOLOMON WILLIAMS**, owned and operated the CBM Group.

COUNT 1

11. Beginning in or about February 2010, and continuing until in or about August, 2012, in Hinds County, in the Northern Division of the Southern District of Mississippi and elsewhere, the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, did knowingly conspire with each other and with others known and unknown to the grand jury, to commit offenses against the United States as follows:

Making a false statement to the Federal Home Loan Bank of Dallas in violation of Section 1006, Title 18, United States Code.

12. It was a part of the conspiracy that the defendants would inflate contractor invoices, either by altering the invoices themselves or by directing the contractors to do so, for the purpose of submitting the inflated invoices to the FHLB-D via its member institution Trustmark Bank; and for the purpose of acquiring a kickback equal to the inflated amount of the respective invoices from each contractor hired by FIED to perform home repairs paid for by the AHP grant.

13. During the course of the conspiracy the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, received approximately \$186,830.01 of AHP grant funds in the form of kickbacks from the contractors they hired through FIED to conduct home repairs.

14. In furtherance of the conspiracy and to carry out its objectives, the following overt acts were committed:

15. Each invoice listed in the chart below was inflated, either by the defendants **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, or by a contractor at the

direction of the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON**

**WILLIAMS**, for the purpose of generating a kickback to be paid to the defendants.

OVERT ACT	INVOICE SUBMISSION DATE	GRANT CHECK DATE	PAYOR	PAYEE	INVOICE AMOUNT
a.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,970.00
b.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,930.00
c.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,837.00
d.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,055.00
e.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$4,830.00
f.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$2,255.00
g.	10/21/10	11/1/10	Trustmark Bank	Family Place Builders	\$6,980.00
h.	10/21/10	11/1/10	Trustmark Bank	Family Place Builders	\$5,760.00
i.	2/22/11	4/19/11	Trustmark Bank	Family Place Builders	\$20,678.66
j.	2/22/11	5/16/11	Trustmark Bank	Family Place Builders	\$11,999.90
k.	9/11/11	10/4/11	Trustmark Bank	Family Place Builders	\$6,016.70
l.	10/5/11	11/3/11	Trustmark Bank	Family Place Builders	\$6,708.33
m.	10/13/11	11/3/11	Trustmark Bank	LYNCO and Associates	\$6,900.00
n.	4/18/12	5/17/12	Trustmark Bank	Family Place Builders	\$5,583.33
o.	4/29/12	5/17/12	Trustmark Bank	Burkes Diversified Services	\$6,225.56
p.	6/5/12	7/6/12	Trustmark Bank	LYNCO and Associates	\$6,094.93

16. Each payment listed in the chart below was paid to the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, as a kickback in exchange for getting a contract from FIED to repair one or more houses through the AHP grant program:

OVERT ACT	DATE	PAYOR	PAYEE	CHECK AMOUNT
q.	10/29/10	Family Place Builders	<b>MARLENE SOLOMON WILLIAMS</b>	\$3,387.00
r.	10/29/10	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$3,387.00
s.	11/2/10	Family Place Builders	<b>MARLENE SOLOMON WILLIAMS</b>	\$1,274.00
t.	11/2/10	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$1,274.00
u.	4/20/11	Family Place Builders	The CBM Group	\$2,117.87
v.	4/20/11	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$2,017.87

w.	5/16/11	Family Place Builders	The CBM Group	\$1,274.90
x.	5/16/11	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$1,124.90
y.	10/6/11	Family Place Builders	The CBM Group	\$601.67
z.	10/6/11	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$601.67
aa.	11/4/11	Family Place Builders	The CBM Group	\$670.83
bb.	11/4/11	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$670.83
cc.	11/7/11	LYNCO and Associates, Inc.	The CBM Group	\$690.00
dd.	11/7/11	LYNCO and Associates, Inc.	Kayla Paul Lindsey CPA Firm	\$690.00
ee.	5/21/12	Family Place Builders	The CBM Group	\$558.33
ff.	5/21/12	Family Place Builders	Kayla Paul Lindsey CPA Firm	\$558.33
gg.	6/4/12	Burks Diversified Services	The CBM Group	\$622.56
hh.	6/4/12	Burks Diversified Services	Kayla Paul Lindsey CPA Firm	\$622.56
ii.	7/12/12	LYNCO and Associates, Inc.	The CBM Group	\$609.49
jj.	7/12/12	LYNCO and Associates, Inc.	Kayla Paul Lindsey CPA Firm	\$609.49

All in violation of Section 371, Title 18, United States Code.

#### COUNTS 2-17

17. On or about the dates listed below, in Hinds County in the Northern Division of the Southern District of Mississippi and elsewhere, the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, being connected in a capacity with Trustmark Bank, which is a member institution of the FHLB-D, and as the proprietors of FIED, which had been awarded a AHP grant from the FHLB-D, with the intent to defraud Trustmark Bank and the FHLB-D, knowingly made a false entry in a report to Trustmark Bank and the FHLB-D, in that the defendants, **KAYLA PAUL LINDSEY and MARLENE SOLOMON WILLIAMS**, falsified or caused to be falsified invoices for the payment of repair work to be done on

qualifying homes under the FHLB-D AHP grant awarded to FIED, when in truth and in fact, as the defendants well knew, the invoices had been altered to overstate the actual cost of the home repairs.

COUNT	INVOICE SUBMISSION DATE	GRANT CHECK DATE	PAYOR	PAYEE	INVOICE AMOUNT
2.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,970.00
3.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,930.00
4.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,837.00
5.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$6,055.00
6.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$4,830.00
7.	10/21/10	10/29/10	Trustmark Bank	Family Place Builders	\$2,255.00
8.	10/21/10	11/1/10	Trustmark Bank	Family Place Builders	\$6,980.00
9.	10/21/10	11/1/10	Trustmark Bank	Family Place Builders	\$5,760.00
10.	2/22/11	4/19/11	Trustmark Bank	Family Place Builders	\$20,678.66
11.	2/22/11	5/16/11	Trustmark Bank	Family Place Builders	\$11,999.90
12.	9/11/11	10/4/11	Trustmark Bank	Family Place Builders	\$6,016.70
13.	10/5/11	11/3/11	Trustmark Bank	Family Place Builders	\$6,708.33
14.	10/13/11	11/3/11	Trustmark Bank	LYNCO and Associates	\$6,900.00
15.	4/18/12	5/17/12	Trustmark Bank	Family Place Builders	\$5,583.33
16.	4/29/12	5/17/12	Trustmark Bank	Burkes Diversified Services	\$6,225.56
17.	6/5/12	7/6/12	Trustmark Bank	LYNCO and Associates	\$6,094.93

All in violation of Sections 1006 and 2, Title 18, United States Code.

**NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE**

18. As a result of committing the offenses as alleged in this Indictment, the defendants shall forfeit to the United States all property involved in or traceable to property involved in the offenses, including but not limited to all proceeds obtained directly or indirectly from the offenses, and all property used to facilitate the offenses. Further, if any property described above, as a result of any act or omission of the defendants: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property, which cannot be divided without difficulty, then it is the intent of the United States to seek a judgment of forfeiture of any other property of the defendants, up to the value of the property described in this notice or any bill of particulars supporting it.

All pursuant to Section 982(a)(2), Title 18, United States Code.

  
GREGORY K. DAVIS  
United States Attorney

A TRUE BILL:  
S/SIGNATURE REDACTED  
Foreperson of the Grand Jury

This indictment was returned in open court by the foreperson or deputy foreperson of the grand jury on this the 7<sup>th</sup> day of APRIL, 2015.

  
UNITED STATES MAGISTRATE JUDGE